



AgriProfit\$ Cost & Returns Profiles

Economics & Competitiveness

Dryland Spring Wheat Dark Brown Soils

AgriProfit\$
Benchmarks

16-July-12

AgriProfit\$ Cost & Returns Profiles give an insight into the productive and economic performance of Alberta cereal, oilseed, forage and grazing crops, reported by soil or grass-type zone.

This benchmark includes *AgriProfit\$* crop observations from the period of 2008 – 2010. Averaging over a 3 year span smoothes out extremes in prices, yields and expenses. This gives a better reflection of the crops' average unit

production costs and profit potential.

Regional average performance for the crop is compared to a “top third” management group. Fields included in the top management group are drawn from the lowest cost third, as rated by total production cost per unit of output for that crop, in that area, for each of the years.

The 3-year summary table, and a range of frequency charts (over) highlight field level variability in key cost and returns tallies. This emphasizes further the need for producers to know and use their own crop unit costs in managing their businesses.

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AgriProfit\$ Cost & Returns Profiles					
Crop: Dryland Spring Wheat		Total	Top 1/3rd	Total	Top 1/3rd
Zone: Dark Brown Soils		-- \$ / Acre --		-- \$ / Bushel --	
(A)	1. Crop Sales	230.43	223.88	5.60	5.44
	6. Other Revenues	6.04	0.00	0.15	0.00
	Gross Return	236.47	223.88	5.75	5.44
(B)	1. Seed	13.56	13.42	0.33	0.33
	2. Fertilizer	49.90	41.48	1.21	1.01
	3. Chemicals	26.94	27.42	0.65	0.67
	4. Crop Insurance Premiums	10.83	9.43	0.26	0.23
	5. Trucking & Marketing	4.17	2.96	0.10	0.07
	6. Fuel	8.46	7.48	0.21	0.18
	7. Irrigation Fuel & Electricity	0.00	0.00	0.00	0.00
	8. Repairs - Machinery	9.84	10.63	0.24	0.26
	9. Repairs - Buildings	2.23	1.91	0.05	0.05
	10. Utilities & Misc. Expenses	7.38	6.69	0.18	0.16
	11. Custom Work & Specialized Labour	3.25	0.90	0.08	0.02
	12. Operating Interest Paid	0.69	0.55	0.02	0.01
	13. Paid Labour & Benefits	7.13	6.18	0.17	0.15
	14. Unpaid Labour	6.55	6.53	0.16	0.16
	Variable Costs	150.91	135.59	3.67	3.30
(C)	1. Cash/Share Rent & Land Lease	16.92	0.29	0.41	0.01
	2. Taxes, Water Rates, Lic. & Insurance	3.48	2.94	0.08	0.07
	3. Equip. & Bldg. a) Depreciation	25.84	27.09	0.63	0.66
	b) Lease Payments	1.20	0.00	0.03	0.00
	4. Paid Capital Interest	3.95	2.24	0.10	0.05
	Total Capital Costs	51.40	32.56	1.25	0.79
(D)	Cash Costs (B+C-B14-C3)	169.91	134.54	4.13	3.27
(E)	Total Production Costs (B+C)	202.31	168.15	4.92	4.09
(F)	Gross Margin (A-D)	66.56	89.35	1.62	2.17
	Return to Unpaid Labour (A-E+B14)	40.72	62.26	0.99	1.51
	Return to Investment (A-E+C4)	38.11	57.97	0.93	1.41
	Return to Equity (A-E)	34.16	55.73	0.83	1.35
	Return on Investment (%)	4.9	6.1		
	Total Investment (\$/acre)	779	950		
	Management				
	Average field size (acres)	144.0	162.4		
	Number of Observations	67	24		
	Yield (Bushels/acre)	41.15	41.13		
	Expected Price (\$/Bushel)	5.60	5.44		

* Cost and returns profiles include/combine all tenure types ... own, rented & leased.

** Top 1/3rd selection criteria: Low Total Production Cost / Bushel

Descriptive Statistics: Spring Wheat Production - Total Group

Crop: Dryland Spring Wheat Zone: Dark Brown n Soils	Quartiles		Group Average	CV (%)
	Low	High		
Price (\$/Bushel)	5.25	6.00	5.60	15.0
Yield (Bushel/Acre)	35.60	52.00	41.15	33.4
----- \$ / Acre -----				
Gross Revenue	190.45	326.00	236.47	36.0
Seed, Fert, Chem	66.71	106.15	90.40	29.2
Oth. Variable Costs	123.16	174.67	60.52	69.4
Fixed Costs	30.56	75.12	51.40	47.0
Total Production Costs	172.26	248.31	202.31	26.8
Total Cash Costs	138.07	204.54	169.91	30.3
Gross Margin	22.49	121.46	66.56	118.9
Return to Equity	(7.41)	77.76	34.16	218.1

